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COMMUNIQUÉ

Charlottetown, July 5, 2001 - At their meeting today in Charlottetown, Prince Edward Island, Atlantic Premiers remained united in their commitment to working together to ensure a vital and diversified Atlantic economy. Through cooperation, collaboration, and leadership, we will be able to build the economic competitiveness of Atlantic Canada.

The Premiers agreed they will bring a strong and united voice to next month's Annual Premiers' Conference on the following critical issues.

Fiscal Imbalance - Atlantic Premiers noted that addressing the question of fiscal imbalance is an urgent financial challenge facing the Federation today and is critical to strengthening the economic competitiveness of Atlantic Canada in the future and providing needed services to people. The emergence of large and growing federal surpluses reflects, to a considerable degree, an opportunity for the federal government to correct fiscal imbalances in the Canadian Federation. The Constitution makes the provinces responsible for delivering programs subject to the greatest demands and cost pressures for which taxpayers have the highest expectations: health and education. The country's fiscal imbalance affects negatively the provinces' ability to provide comparable levels of service at comparable levels of taxation. Premiers reiterated their call for a strengthened Equalization program including a permanent removal of the ceiling, establishment of a 10-province standard, and comprehensive revenue coverage. Premiers agreed that this is the first priority for addressing fiscal imbalances in Canada.

Health Care - In Atlantic Canada Premiers are taking steps to address human resource issues in health professions and will be calling on their colleagues in Victoria to support an accelerated national strategy to address these issues. Atlantic Premiers renewed their call for a greater federal effort in ensuring a sustainable and quality health care system for all Canadians.

Skills and Post-Secondary Education - Atlantic Premiers agreed that skills development and post-secondary education are priorities. The growing shortage of workers with essential skills and the challenges facing our post-secondary institutions are fundamental economic issues, not only in the Atlantic provinces, but in all of

Canada. Premiers noted that a skilled, well-educated workforce is fundamental to economic success and that it is essential that provinces, territories and the federal government act quickly and responsibly to address global competition and changing skill requirements.

Transportation - Atlantic Premiers discussed a range of infrastructure-related issues and noted that infrastructure and transportation development are key components in building a competitive environment for continued private sector investment in the Atlantic Canadian economy. Premiers agreed that strategic federal investments in these areas must be increased substantially in order to facilitate the long-term economic growth in Canada.

Energy - Atlantic Premiers agreed that maximizing the economic and social benefits of the region's growing energy sector will be key to transforming Atlantic Canada's economy. Our governments must work together, in concert with the federal government, to remove the barriers currently impeding sustained growth in the energy industry. It is clearly in the national interest to foster strong regional economies. As the federal government moves forward with the development of a national energy strategy, the Premiers called on Ottawa to ensure full and meaningful participation by all provinces and that domestic energy needs are the first priority.

Atlantic Cooperation - The Premiers recognize the need for continued concerted cooperation on an Atlantic basis in order to strengthen the economic competitiveness and improve the quality and efficiency of public service delivery. Premiers agreed to the development of a new Atlantic cooperation agenda. The agenda will focus on a number of concrete specific actions where the four provinces can move forward together in a defined way in order to reduce barriers to businesses. The agenda, to be launched in the fall of 2001, will outline specific interprovincial actions, timeframes, and outcomes of real benefit to Atlantic Canadians.

The Atlantic Premiers will be meeting with their counterparts from across Canada at the Annual Premiers' Conference, scheduled for August 1-3, in Victoria, British Columbia. The Atlantic Premiers recognize that a prosperous and self-sufficient future for Atlantic Canada requires national responses to critical issues such as health, education, fiscal, energy, and transportation issues.

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